

Message Text

CONFIDENTIAL

PAGE 01 THE HA 02366 300811Z

21

ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 CIAE-00 DODE-00 PM-04 H-02

INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15

USIA-06 OMB-01 EB-07 COME-00 TRSE-00 OPIC-03 /080 W

----- 093351

R 291618Z APR 76

FM AMEMBASSY THE HAGUE

TO SECSTATE WASHDC PRIORITY 8062

INFO AMEMBASSY TEL AVIV

USMISSION OECD PARIS

C O N F I D E N T I A L THE HAGUE 2366

E.O. 11652: GDS

TAGS: ETRD, EGEN, PFOR, OECD, XF, IS, NL

SUBJECT: ARAB BOYCOTT DEVELOPMENTS

REF: STATE 096935

1. OUR RESPONSES TO SPECIFIC SECTIONS IN PARAGRAPH 2 OF
REFTEL ARE AS FOLLOWS:

(A) GON OFFICIALS STATE THAT GON HAS CHOSEN TO IGNORE ARAB
BOYCOTT ACTIONS AND THUS TO LEAVE RESOLUTION OF ANY SUCH
ISSUES TO BE WORKED OUT DIRECTLY BETWEEN INDIVIDUAL DUTCH
COMPANIES AND ARAB BOYCOTT AUTHORITIES. KEY FACTOR IN
HANDLING OF BOYCOTT ISSUES, SUCH AS RECENT REMOVAL OF
PHILIPS FROM BOYCOTT LIST, HAS BEEN DEGREE TO WHICH ARAB
STATES WISH TO PURCHASE GOODS AND SERVICES OF DUTCH COMPANIES.
RECENT VISITS OF DUTCH OFFICIALS TO ARAB COUNTRIES, EXPANDED
DUTCH AID FOR ARAB COUNTRIES, DUTCH LEADERSHIP IN SPON-
SORING CLOSER COOPERATION WITH THIRD WORLD, AND EC-ARAB
DIALOGUE, AS WELL AS INCREASED SALES OF DUTCH GOODS AND
SERVICES IN ARAB WORLD HAVE HELPED TO IMPROVE GENERAL
ATMOSPHERE AND APPEAR TO BE CONTRIBUTING TO IMPROVED
DUTCH RELATIONS WITH ARAB STATES. AT SAME TIME, DUTCH
HAVE CONTINUED TO MAINTAIN CLOSE AND AMICABLE RELATIONS
WITH ISRAEL.

CONFIDENTIAL

CONFIDENTIAL

PAGE 02 THE HA 02366 300811Z

(B) U.S. FIRMS OPERATING IN THE NETHERLANDS ARE TREATED

LIKE DUTCH FIRMS. MANY AMERICAN FIRMS ASSOCIATED WITH CONSTRUCTION, ENGINEERING, PIPELINE, OIL, AND GAS INDUSTRIES AND OPERATING THROUGHOUT THE MIDDLE EAST HAVE LONG MAINTAINED THEIR ENGINEERING AND SERVICE HEADQUARTERS IN THE NETHERLANDS AND THEY OBVIOUSLY ARE HEAVILY CONCENTRATING ON DOING BUSINESS IN WEALTHIER ARAB COUNTRIES. HOWEVER, WE HAVE NO KNOWLEDGE OF ANY SPECIFIC INSTANCES IN WHICH U.S. FIRMS HAVE USED THEIR DUTCH SUBSIDIARIES FOR PURPOSES OF AVOIDING LEGAL REQUIREMENTS OR RESTRAINTS FACED BY U.S. FIRMS CONDUCTING BUSINESS WITHIN THE U.S.

(C) ISRAEL CONTINUES TO DO SUBSTANTIAL BUSINESS WITH DUTCH FIRMS, GENERALLY WITHOUT RESTRICTION OR HINDRANCE. ISRAELI EMBASSY BELIEVES SOME DUTCH FIRMS AND SOME U.S. SUBSIDIARIES ARE SEEKING TO CULTIVATE BUSINESS IN ARAB WORLD TO EXCLUSION OF BUSINESS WITH ISRAEL. ISRAELI EMBASSY IS THEREFORE SEEKING TO ENCOURAGE KEY DUTCH OFFICIALS TO TAKE A FIRMER STAND ON GON POLICY TOWARD ARAB BOYCOTT.

2. COMMENT: IT APPEARS THAT DUTCH BUSINESS INTERESTS, WITH SUBSTANTIAL OFFICIAL SUPPORT, ARE SUCCESSFULLY DEVELOPING COMMERCIAL TIES WITH THE WEALTHIER ARAB STATES. IT IS THEREFORE QUESTIONABLE WHETHER ISRAELI GOVERNMENT CAN EFFECTIVELY COUNTER SUCH POCKETBOOK INTERESTS IN TRYING TO ENCOURAGE THE GON TO TAKE A STRONGER STANCE TOWARD ARAB BOYCOTT. AT THIS JUNCTURE WE ARE EVEN UNCERTAIN AS TO WHETHER A STRONG AND DIRECT APPEAL BY THE USG TO THE GON WOULD RESULT IN GON'S MOVING TOWARD A MORE ACTIVE POLICY IN OPPOSING ARAB BOYCOTT.
GOULD

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC CONDITIONS, POLICIES, INTELLIGENCE ASSESSMENTS, BOYCOTTS
Control Number: n/a
Copy: SINGLE
Draft Date: 29 APR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: saccheem
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976THEHA02366
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760164-0629
From: THE HAGUE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976046/aaaaaenu.tel
Line Count: 91
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 76 STATE 96935
Review Action: RELEASED, APPROVED
Review Authority: saccheem
Review Comment: n/a
Review Content Flags:
Review Date: 23 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 APR 2004 by BoyleJA>; APPROVED <10 AUG 2004 by saccheem>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: ARAB BOYCOTT DEVELOPMENTS
TAGS: ETRD, EGEN, PFOR, XF, IS, NL, OECD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006